

FISCAL NOTE

SB 336 - HB 647

March 28, 2005

SUMMARY OF BILL: Amends franchise and excise (F&E) tax law regarding underpayment penalties. Requires a taxpayer to have underpaid their quarterly F&E tax payment by \$1,000 or more before any penalty can be assessed.

ESTIMATED FISCAL IMPACT:

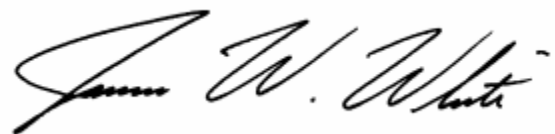
Decrease State Revenues - \$300,000 Recurring
Increase State Expenditures - \$88,000 One-Time

Assumptions:

- Approximately 150,000 F&E taxpayers annually.
- 1% (or 1,500) of taxpayers underpay their quarterly F&E tax payments by less than \$1,000.
- Penalty amount on an underpayment by less than \$1,000 is no greater than \$50.
- Decrease in state revenues is estimated at \$300,000 (1,500 taxpayers X 4 quarters X \$50 = \$300,000).
- One-time state expenditures for computer programming and software modifications are estimated at \$88,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director